

# **CORRECTED FISCAL NOTE**

## **HB 3306 - SB 3304**

February 23, 1998

**SUMMARY OF BILL:** Provides that the sales tax exemption for material handling equipment and racking systems would also apply when used in a previously occupied facility. The current law allows the exemption only for new or expanded facilities. The exemption requires an investment of at least \$10,000,000.

### **ESTIMATED FISCAL IMPACT:**

The purpose of this corrected fiscal note is to quantify the *Other Fiscal Impact* as shown below:

**Decrease State Revenues - Exceeds \$300,000**

**Decrease Local Govt. Revenues - Exceeds \$112,500**

**Other Fiscal Impact - To the extent that companies choose to locate or expand in Tennessee that would not have located or expanded here without such tax credit, we estimate a significant increase in state and local government revenues due to increased economic activity. Such increase is estimated to be in amounts sufficient to offset losses in state and local sales taxes.**

Estimated decrease in state and local government revenues is based on exemption requests that have been denied.

The number of occurrences where companies locate or expand in previously occupied facilities as a result of this tax credit cannot be determined.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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